



Huron Community Bank

October 10, 1995

Ms. Mildred Lee
Interstate Commerce Commission
12th & Constitution Ave., NW
Room 2303
Washington, D.C. 20423

Re: Huron Leasing Corporation

Dear Ms. Lee:

Attached please find an executed Security Agreement and Bill of Sale for the above referenced corporation which needs to be filed at your office. Enclosed is our Cashier's Check in the amount of \$21.00 for the recording fee.

If you have any questions please do not hesitate to contact me at the above address and phone number.

Yours truly,

Patti K. Thornton
Commercial Loan Assistant

/pkt

19665

1995 OCT 11

LICENSING BRANCH

OCT 13 3 47 PM '95



Interstate Commerce Commission
Washington, D.C. 20423-0001

10/13/95

Office Of The Secretary

Patti K. Thornton
Commercial Loan Assistant
Huron Community Bank
301 Newman Street
P. O. Box 312
East Tawas, Michigan 48730

Dear Madam:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/13/95 at 3:50PM, and assigned recordation number(s). 19666.

Sincerely yours,

Vernon A. Williams
Secretary

Enclosure(s)

\$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature

NAME OF DEBTOR: Huron Leasing Corporation ("the Debtor")

TAXPAYER D. NO. 38-3060228

DEBTOR'S ADDRESS (Chief executive office) P. O. Box 232, East Tawas, MI 48730

GRANT OF SECURITY INTEREST: The Debtor grants to HURON COMMUNITY BANK

the secured party referred to as "Bank", whose address is 301 NEWMAN, EAST TAWAS, MICHIGAN, 48730

a continuing security interest in the Collateral listed below, to secure the payment and performance of:

All of Debtor's debt to the Bank; and

(check if applicable)

☐ All of _____'s debt to the Bank.

(Name of Borrower if other than Debtor)

Debt shall include each and every debt, liability and obligation of every type and description now owed or arising at a later time, whether they are direct or indirect, joint, several, or joint and several and whether or not of the same type or class as presently outstanding, which shall collectively be referred to as "Liabilities." Liabilities shall also include all interest, costs, expenses and reasonable attorney's fees accruing to or incurred by the Bank in collecting the Liabilities or in the protection, maintenance or liquidation of the Collateral.

COLLATERAL:

☐ Accounts Receivable

☐ Equipment

☐ Farm Products

☐ Inventory

☐ Instruments

☒ Specific (see Item 6)

NOTE: If no box is checked, it is expressly agreed by Debtor that the Bank is granted a security interest in "All Assets." "All Assets" of Debtor shall include Accounts Receivable, Inventory, Equipment, Instruments and Farm Products, all as defined below.

DESCRIPTION OF COLLATERAL: The Collateral covered by this agreement is all of the Debtor's property indicated above and defined below, present and future, including, but not limited to any items listed on any schedule or list attached. Also included are all proceeds, including but not limited to stock rights, subscription rights, dividends, stock dividends, stock splits, or liquidating dividends, and all cash, accounts, chattel paper and general intangibles arising from the sale, rent, lease, casualty loss or other disposition of the Collateral, and any Collateral returned to, repossessed by or stopped in transit by Debtor. Where the Collateral is in the possession of the Bank, the Debtor agrees to deliver to the Bank any property which represents an increase in the Collateral or profits or proceeds of the Collateral.

1. "Accounts Receivable" shall consist of accounts, chattel paper and general intangibles as those terms are defined in the Michigan Uniform Commercial Code ("UCC"). Also included is any right to a refund of taxes paid at any time to any governmental entity. Also included are letters of credit, and drafts under them, given in support of Accounts Receivable. Debtor warrants that its chief executive office is at the address shown above.

2. "Inventory" shall consist of all property held at any location by or for Debtor for sale, rent, or lease, or furnished or to be furnished by Debtor under any contract of service, or raw materials or work in process and their products, or materials used or consumed in its business, and shall include containers and shelving useful for storing.

Without limiting the security interest granted, Inventory is presently located at _____

3. "Equipment" shall consist of any goods at any time acquired, owned or held by Debtor at any location primarily for use in its business, including, but not limited to, machinery, fixtures, furniture, furnishings and vehicles, and any accessions, parts, attachments, accessories, tools, dies, additions, substitutions, replacements and appurtenances to them or intended for use with them. Without limiting the security interest granted, Equipment is presently located at _____

4. "Instruments" shall consist of Debtor's interest of any kind in any negotiable instrument or security as those terms are defined in the UCC, or any other writing which evidences a right to payment of money and is of a type which is, in the ordinary course of business, transferred by delivery alone or by delivery with any necessary endorsement or assignment.

5. "Farm Products" shall consist of all poultry and livestock and their young, along with their products and produce; all crops, annual or perennial, and all products of the crops; and all feed, seed, fertilizer, medicines, and other supplies used or produced in farming operations. If this agreement covers Farm Products, the Debtor will provide the Bank a written list of the buyers, commission merchants or selling agents to or through whom it may sell the Farm Products, in form acceptable to the Bank. The Debtor will keep this list current by notice to the Bank at least 7 days prior to any sale. In this paragraph the term farm products, buyers, commission merchants and selling agents have the meanings given to them in the Federal Food Security Act of 1985, and Section 9307 of the UCC.

6. "Specific" shall consist of the following, and all accessions, parts, attachments, accessories, additions, substitutions, replacements, appurtenances, and their related rights: See Attached Schedule "A"

ADDITIONAL TERMS AND CONDITIONS: Debtor agrees to all of the Additional Terms and Conditions on the reverse.

WAIVER OF JURY TRIAL: The Bank and the Debtor after consulting or having had the opportunity to consult with counsel, knowingly, voluntarily and intentionally waive any right either of them may have to a trial by jury in any litigation based upon or arising out of this agreement or any related instrument or agreement, or any of the transactions contemplated by this agreement, or any course of conduct, dealing, statements (whether oral or written), or actions of either of them. Neither the Bank nor the Debtor shall seek to consolidate, by counterclaim or otherwise, any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived. These provisions shall not be deemed to have been modified in any respect or relinquished by either the Bank or the Debtor except by a written instrument executed by both of them.

Dated September 6, 19 95

HURON LEASING CORPORATION

DEBTOR:

By: Judy Ann George
Judy Ann George, President

Nancy J. VanBuskirk
Nancy J. VanBuskirk, Vice President

Patrice K. Thornton
PATRICE K. THORNTON, NOTARY PUBLIC
ISOCO COUNTY, STATE OF MICHIGAN
MY COMMISSION EXPIRES 03-30-96

SCHEDULE "A"

CAR NUMBER & INITIAL -----	BUILT DATE -----	REBUILT DATE -----	AAR CAR TYPE CODE -----
TCAX 20004	2/74	--	L047
TCAX 20008	2/74	--	L047
TCAX 20013	2/74	--	L047
TCAX 20015	2/74	--	L047
TCAX 20020	2/74	--	L047
TCAX 20021	2/74	--	L047
TCAX 20038	3/74	--	L047
TCAX 20041	2/74	--	L047
TCAX 20054	2/74	--	L047
TCAX 20055	2/74	--	L047
TCAX 20061	3/74	--	L047
TCAX 20069	3/74	--	L047
TCAX 20072	2/74	--	L047
TCAX 20092	2/74	--	L047
TCAX 20094	2/74	--	L047
TCAX 20103	2/74	--	L047
TCAX 20114	2/74	--	L047
TCAX 20122	2/74	--	L047
TCAX 20145	2/74	--	L047
TCAX 20183	2/74	--	L047
TCAX 20209	2/74	--	L047
TCAX 20211	2/74	--	L047
TCAX 20237	1/73	--	L047
TCAX 20254	1/73	--	L047
TCAX 20281	2/73	--	L047
TCAX 20284	2/73	--	L047
TCAX 20303	8/71	--	L047
TCAX 20319	8/71	--	L047
TCAX 20321	8/71	--	L047
TCAX 20365	6/68	--	L047
TCAX 20369	7/71	--	L047
TCAX 20372	7/71	--	L047
TCAX 20377	2/73	--	L047
TCAX 20425	1/73	--	L047
TCAX 20432	2/73	--	L047
HTCX 321	3/73	--	L047
HTCX 328	3/73	--	L047
HTCX 344	10/73	--	L047
HTCX 368	10/73	--	L047
HTCX 384	10/73	--	L047

BILL OF SALE

IN CONSIDERATION of the receipt of the sum of One Dollar (\$1.00), in hand paid, and for other good and valuable consideration, GENERAL ELECTRIC RAILCAR SERVICES CORPORATION, a Delaware corporation with an address at 33 West Monroe Street, Chicago, Illinois 60603 ("Seller"), does hereby sell, assign, transfer and convey absolutely to HURON LEASING CORP. a Michigan Corporation ("Buyer"), all right, title, and interest in and to the railway rolling stock more specifically described on Schedule 1 attached hereto and made a part hereof (the "Railcars"), and all appurtenance rights relating thereto. The Railcars are sold pursuant to the terms of a Purchase and Sale Agreement dated July 12, 1995 (the "Agreement"). Reference is made to the Agreement for all terms and conditions regarding the sale of the Railcars. The Railcars are sold "AS-IS" and "WHERE-IS" without any warranty as to quality or condition, and SELLER EXPRESSLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PURPOSE. Seller warrants that upon payment of the purchase price and receipt of this Bill of Sale, Buyer shall receive good and valuable title to the Railcars free and clear of all claims, liens and encumbrances of any kind arising by, through or under Seller, except for current taxes, which may be due and payable, but not yet delinquent.

Dated this 7th day of September, 1995.

GENERAL ELECTRIC RAILCAR
SERVICES CORPORATION

By 
Its: Vice President

SCHEDULE 1

FORTY (40) ALL DOOR BOXCARS BEARING THE FOLLOWING REPORTING MARKS

HTCX	321	TCAX	20094
	328		20103
	333		20114
	344		20122
	368		20145
	384		20183
TCAX	20004		20209
	20008		20211
	20013		20237
	20015		20254
	20020		20281
	20021		20284
	20038		20303
	20041		20319
	20054		20321
	20055		20365
	20061		20372
	20069		20377
	20072		20425
	20092		20432



September 22, 1995

Mr. Wilford G. Gamble
Secretary-Treasurer
Huron Leasing Corp.
c/o Lake State Railway Company
211 Newman Street
P.O. Box 232
East Tawas, MI 48730

Dear Mr. Gamble:

Effective immediately this letter shall amend Schedule 1 to Bill of Sale dated September 7, 1995 between General Electric Railcar Services Corporation ("Seller") and Huron Leasing Corp. ("Buyer"), by removing car numbered HTCX 333 from the Schedule and replacing it with car numbered TCAX 20369.

All other terms and conditions of the Bill of Sale shall remain in full force and effect.

Please sign and return one copy of this letter, in the envelope provided, to indicate your acceptance of the foregoing amendment.

Very truly yours,

GENERAL ELECTRIC RAILCAR SERVICES
CORPORATION

By [Signature]
Vice President

ACCEPTED:

HURON LEASING CORP.

By Wilford G. Gamble

Title: Secretary - Treasurer

Date: September 28, 1995

WARRANTIES & COVENANTS: The Debtor warrants and covenants to the Bank that:

1. It will pay its liabilities to the Bank secured by this agreement;
2. It is or will become the owner of the Collateral free from any liens, encumbrances or security interests, except for this security interest and, existing liens disclosed to and accepted by the Bank in writing, and will defend the Collateral against all claims and demands of all persons at any time claiming any interest in it;
3. It will keep the Collateral free of liens, encumbrances and other security interests, maintain it in good repair, not use it illegally and exhibit it to Bank on demand;
4. At its own expense, the Debtor will maintain comprehensive casualty insurance on the Collateral against such risks, in such amounts, with such deductibles and with such companies as may be satisfactory to the Bank. Each insurance policy shall contain a lender's loss payable endorsement satisfactory to the Bank and a prohibition against cancellation or amendment of the policy or removal of the Bank as loss payee without at least 30 days prior written notice to the Bank. In all events, the amounts of such insurance coverages shall conform to prudent business practices and shall be in such minimum amounts that the Debtor will not be deemed a co-insurer.
5. It will not sell or offer to sell or otherwise transfer the Collateral, nor change the location of the Collateral, without the written consent of the Bank, except in the ordinary course of business;
6. It will pay promptly when due all taxes and assessments upon the Collateral, or for its use or operation;
7. No financing statement covering all or any part of the Collateral or any proceeds is on file in any public office, unless the Bank has approved that filing, and at Bank's request, Debtor will execute one or more financing statements in form satisfactory to Bank and will pay the cost of filing them in all public offices wherever filing is deemed by Bank to be desirable;
8. It will immediately notify Bank in writing of any name change or any change in business organization;
9. It will provide any information that Bank may reasonably request, and will permit Bank upon prior notice, to inspect and copy its books and records during normal business hours.

ACCOUNTS RECEIVABLE: The Debtor acknowledges that if the Collateral includes "Accounts Receivable" then until the Bank gives notice to Debtor to the contrary, Debtor will, in the usual course of its business and at its own cost and expense, on the Bank's behalf but not as the Bank's agent, demand and receive and use its best efforts to collect all moneys due or to become due on the Accounts Receivable. Until the Bank gives notice to Debtor to the contrary or until Debtor is in default, it may use the funds collected in its business. Upon notice from the Bank or upon default, the Debtor agrees that all sums of money it receives on account of or in payment or settlement of the Accounts Receivable shall be held by it as trustee for the Bank without commingling with any of its funds, and shall immediately be delivered to the Bank with endorsement to the Bank's order of any check or similar instrument. It is agreed that, at any time Bank so elects, it shall be entitled, in its own name or in the name of Debtor or otherwise, but at the expense and cost of the Debtor, to collect, demand, receive, sue for or compromise any and all Accounts Receivable, and to give good and sufficient releases, to endorse any checks, drafts or other orders for the payment of money payable to the Debtor in payment and, in its discretion, to file any claims; or take any action or proceeding which the Bank may deem necessary or advisable. It is expressly understood and agreed, however, that the Bank shall not be required or obligated in any manner to make any demand or to make any inquiry as to the nature or sufficiency of any payment received by it or to present or file any claim or take any other action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times. All notices required in this paragraph will be immediately effective when sent. Such notices need not be given prior to the Bank taking action.

REPRESENTATIONS BY DEBTOR: If the Debtor is a corporation, it represents that it is a corporation duly organized, existing and in good standing under the laws of its state of incorporation, and that the execution and delivery of this agreement and the performance of the obligations it imposes are within its corporate powers, have been duly authorized by all necessary action of its board of directors, and do not contravene the terms of its articles of incorporation or by-laws. If the Debtor is a general or limited partnership, it represents that it is duly organized and existing and that the execution and delivery of this agreement and the performance of the obligations it imposes do not conflict with any provision of its partnership agreement and have been duly authorized by all necessary action of its partners. Each Debtor represents that the execution and delivery of this agreement and the performance of the obligations it imposes do not violate any law and do not conflict with any agreement by which it is bound, and that no consent or approval of any governmental authority or any third party is required for the execution or delivery of this agreement or the performance of the obligations it imposes, and that this agreement is a valid and binding agreement, enforceable according to its terms. Each Debtor further represents that all balance sheets, profit and loss statements, and other financial statements furnished to the Bank are accurate and fairly reflect the financial condition of the organizations and persons to which they apply on their effective dates, including contingent liabilities of every type, which financial condition has not changed materially and adversely since those dates.

EVENTS OF DEFAULT: The Debtor shall be in default upon the occurrence of any of the following:

1. The Debtor fails to pay when due any amount payable under any agreement or instrument evidencing debt to any creditor;
2. The Debtor (a) fails to observe or perform any term of this agreement; or (b) makes any materially incorrect or misleading representation, warranty, or certificate to the Bank; or (c) makes any materially incorrect or misleading representation in any financial statement or other information delivered to the Bank; or (d) defaults under the terms of any agreement or instrument relating to any debt for borrowed money such that the creditor declares the debt due before its maturity;
3. The Debtor defaults under the terms of any loan agreement, mortgage, security agreement, or any other document executed as part of the Liabilities, or any guaranty of the Liabilities becomes unenforceable in whole or in part, or any guarantor of the Liabilities fails to promptly perform under its guaranty;
4. A "reportable event" (as defined in the Employee Retirement Income Security Act of 1974 as amended) that would permit the Pension Benefit Guaranty Corporation to terminate any employee benefit plan of the Debtor or any affiliate of the Debtor occurs;
5. The Debtor becomes insolvent or unable to pay its debts as they become due;
6. The Debtor (a) makes an assignment for the benefit of creditors; (b) consents to the appointment of a custodian, receiver, or trustee for itself or for a substantial part of its assets; or (c) commences any proceeding under any bankruptcy, reorganization, liquidation, insolvency or similar laws of any jurisdiction;
7. A custodian, receiver or trustee is appointed for the Debtor or for a substantial part of its assets without the consent of the Debtor and is not removed within 60 days after the appointment; or the Debtor consents to such appointment;
8. Proceedings are commenced against the Debtor under any bankruptcy, reorganization, liquidation, or similar laws of any jurisdiction, and those proceedings remain undismissed for 60 days after commencement; or the Debtor consents to the commencement of those proceedings;
9. Any judgment is entered against the Debtor, or any attachment, levy, or garnishment is issued against any property of the Debtor;
10. The Debtor dies;
11. The Debtor, without the Bank's written consent, (a) is dissolved, (b) merges or consolidates with any third party, (c) sells a material part of its assets or business outside the ordinary course of its business, or (d) agrees to do any of the foregoing;
12. The loan-to-value ratio of any pledged securities at any time exceeds _____%, and such excess continues for five (5) days after notice from the Bank to the Debtor;
13. There is a substantial change in the existing or prospective financial condition of the Debtor which the Bank in good faith determines to be materially adverse;
14. The Bank in good faith deems itself insecure.

Upon default, the Bank shall have the rights and remedies provided by law or this agreement, including but not limited to the right to require the Debtor to assemble the Collateral and make it available to the Bank at a place to be designated by Bank which is reasonably convenient to both parties, the right to take possession of the Collateral with or without demand and with or without process of law, and the right to sell and dispose of it and distribute the proceeds according to law. In connection with the right of Bank to take possession of the Collateral, the Bank may take possession of any other items of property in or on the Collateral at the time of taking possession, and hold them for the Debtor without liability on the part of the Bank. If there is any statutory requirement for notice, that requirement shall be met if Bank sends notice to the Debtor at least ten (10) days prior to the date of sale, disposition or other event giving rise to the required notice. The Debtor shall be liable for any deficiency remaining after disposition of the Collateral.

MISCELLANEOUS:

1. Where the Collateral is located at, used in or attached to a facility leased by the Debtor, the Debtor will obtain from the lessor a consent to the granting of this security interest in any of the Collateral, in form acceptable to the Bank.
2. At its option the Bank may, but shall be under no duty or obligation to, discharge taxes, liens, security interests or other encumbrances at any time levied or placed on the Collateral, pay for insurance on the Collateral, and pay for the maintenance and preservation of the Collateral, and the Debtor agrees to reimburse the Bank on demand for any payment made or expense incurred by the Bank, with interest at the maximum legal rate.
3. No delay on the part of Bank in the exercise of any right or remedy shall operate as a waiver, no single or partial exercise by Bank of any right or remedy shall preclude any other exercise of it or the exercise of any other right or remedy, and no waiver of indulgence by the Bank of any default shall be effective unless in writing and signed by Bank, nor shall a waiver on one occasion be construed as a waiver of that right on any future occasion.
4. If any provision of this agreement is invalid, it shall be ineffective only to the extent of its invalidity, and the remaining provisions shall be valid and effective.
5. Except as provided in the Accounts Receivable paragraph above, notice from one party to another relating to this agreement shall be deemed effective if made in writing (including telecommunications) and delivered to the recipient's address, telex number of telecopier number set forth above by any of the following means: (a) hand delivery, (b) registered or certified mail, postage prepaid, with return receipt requested, (c) first class or express mail, postage prepaid, (d) Federal Express, Parcelator Courier or like overnight courier service or (e) telecopy, telex or other wire transmission with request for assurance of receipt in a manner typical with respect to communications of that type. Notice made in accordance with this section shall be deemed delivered on receipt if delivered by hand or wire transmission, on the third business day after mailing if mailed by registered or certified mail, or on the next business day after mailing or deposit with an overnight courier service if delivered by express mail or overnight courier.
6. All rights of Bank shall inure to the benefit of the Bank's successors and assigns; and all obligations of the Debtor shall bind the debtor's heirs, executors, administrators, successors and assigns. If there is more than one Debtor, their obligations are joint and several.
7. A carbon, photographic or other reproduction of this agreement is sufficient, and can be filed as a financing statement. The Bank is irrevocably appointed the Debtor's attorney-in-fact to execute any financing statement on Debtor's behalf covering the Collateral.
8. The terms and provisions of this security agreement shall be governed by Michigan law.